

Lockheed Martin Kelly Aviation Center

LMKAC's GFM to CFM

Initiative



Colonel A. B. Morrill III

Director of Propulsion
Tinker AFB OK

- ***DLA's Request for Information***
- ***The Winning PBA Team***
- ***The Government's GFM to CFM Goal***
- ***The Continuing Operation Plan***
- ***Issues***
- ***Summary***





DLA's Request for Information

OC-ALC/LP *propulsion systems*
UPDATED 10 JUN 99

- **Purpose...**
 - **Update Defense Supply Center Richmond (DSCR) on government furnished material (GFM) to contractor furnished material (CFM) conversions associated with privatizing the TF39 and T56 workloads as a consequence of the government awarding the Propulsion Business Area (PBA) contract to the OC-ALC (prime contractor) - Lockheed Martin (principal subcontractor) team**



LOCKHEED MARTIN

The Winning Public-Private PBA

Team

OC-ALC/LP Propulsion Systems
UPDATED 10 JUN 99

OC-ALC 
Prime Contractor
F100 Depot-Level Maintenance
F100 and Aircraft Accessories
Engine Test

LMKAC 
Principal Subcontractor
TF39 Two-Level and Depot-Level Maintenance
Engine Test

STANDARD AERO
T56 Workload



CHROMALLOY GTC
TF39 Parts Repair



LMCS/WOODWARD GOVERNOR
TF39 Fuel Accessories



EG&G
PHS&T
Kelly Distribution Center





Lockheed Martin Kelly Aviation Center

OC-ALC/LP Propulsion systems
UPDATED 10 JUN 99

- **LMKAC is the principal PBA subcontractor to the USAF's Oklahoma City Air Logistics Center (OC-ALC, Tinker AFB OK)**
 - **Responsible for TF39 and T56 engine and accessory workloads**
 - **Work will be done at privatized facilities on Kelly AFB and (to a lesser extent) at other LMKAC subcontractor facilities**
- **Contract is GFM;**
 - **Exceptions are miscellaneous small parts (MSP) valued at a Government unit price of \$3.00 or less will be provided as CFM by the LMKAC team**
 - **Proposal contemplated LMKAC evaluating CFM after contract award**



The Government's Goal Regarding Material

GC-ALC/LP propulsion systems
UPDATED 10 JUN 99

- **Goal...**
 - **Use CFM for LMKAC's subcontractor-supplied parts and MSP for the TF39 and the T56 jet engines**



GFM to CFM Conversion

OC-ALC/LP propulsion systems
UPDATED 10 JUN 99

- **Use of CFM after contractor award to be based on well documented and current usage data, and competitive purchasing from approved government sources**
 - **Key elements of any conversion from GFM to CFM remains required assurance that costs are within bid prices and that productivity/mission readiness is enhanced**
 - **Plan is to review and prioritize candidate national stock numbers (NSN) for conversion to CFM.**
- **Impact on DLA:**
 - **TF39 and T56 parts support continues unabated to the field**
 - **TF39 and T56 parts support to Air Force depot activities are affected over time. Best Estimated Quantities (BEQs) represent what used to be the depot maintenance workload**



Continuing Operation Plan *(COP)*

OC-ALC/LP propulsion system
UPDATED 10 JUN 99

- **COP calls for LMKAC GFM to implement CFM plan if economically viable (must stay within OC-LM bid)**
 - **LMKAC reviews TF39 and T56 NSNs not currently managed by SA-ALC (or OC-ALC) to reduce dependence on external item management organizations**
 - **Includes NSNs managed by DLA and, to lesser extent, the USN**
 - **Many DLA-managed parts have 2+ sources; competition will help control PBA costs as suppliers compete for long-term contracts**
 - **Estimated that 25-40 percent of combined TF39-T56 GFM (by value) can economically converted to CFM**
 - **Timing: 24-36 months after PBA award. First parts management transfer meeting in 21st month with DLA and USAF (Nov 00)**
 - **LMKAC uses remaining government inventory until exhausted. LMKAC recently sent approximately 1,900 part numbers to Rolls-Royce Allison (RR-A) and General Electric (GE) for initial quotes**



LMKAC TF39 Parts Sources (Concept)

OC-ALC/LF Population System
UPDATED 10 JUN 99

CLASS A

Sole Source,
Higher Valued Parts

- Primary source would be GE Aircraft Engines
- Most exchangeables would remain GFM
- Catalog price available 10/99
- Approx 300 p/n
- Govt and LMKAC could buy from same contract

CLASS B

Consumables
(vast majority)

- Primary source would be GE Supply Services
- All parts could become CFM
- Provided six ELINs, 914 p/n for trial
- Approx 2700 p/n
- USAF would continue with DLA for field support

CLASS C

QEC Parts

- Source - TBD
- Review parts for CFM conversion
- Approx 400 p/n
- USAF would continue with DLA for field support



LMKAC T56 Parts Sources (Concept)

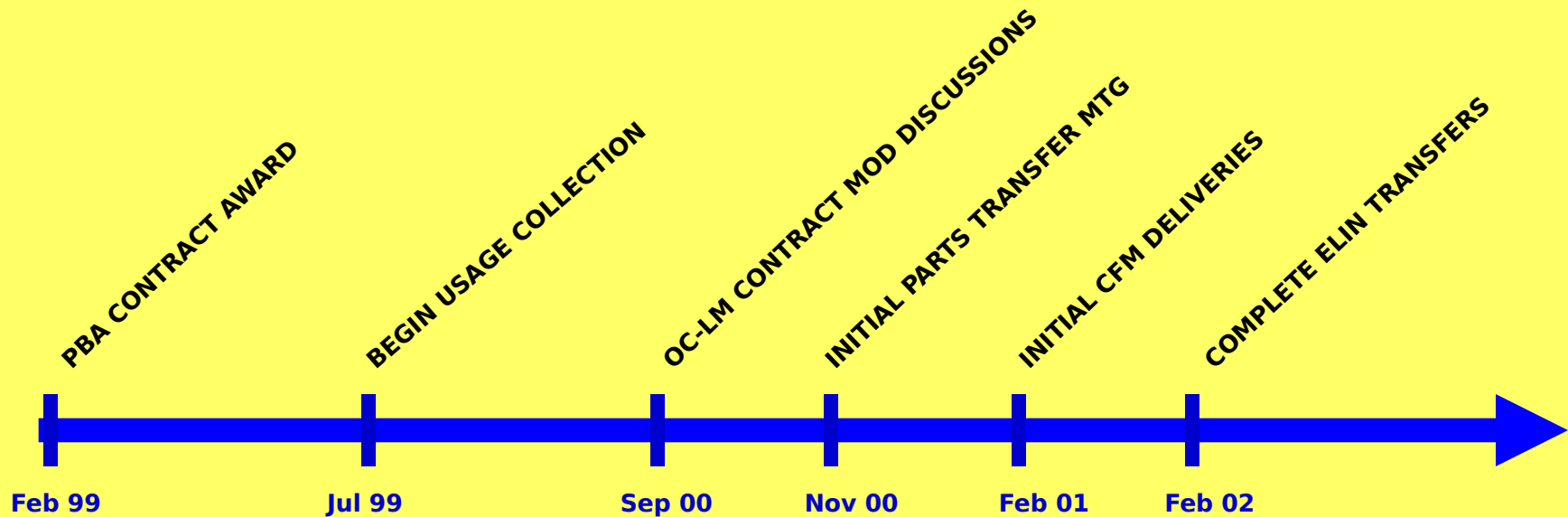
OC-ALC/LP Population System
UPDATED 10 JUN 99

- **Similar concept as TF39; RR-A the primary source**
- **RR-A and LMKAC meetings on 12 Mar 99 and 7 Apr 99**
 - **Ten ELINs, 1,032 parts, sent to RR-A for pricing viability on 19 Apr 99**
 - **Concept would have a RR-A T56 “store” at LMKAC’s Distribution Center**
 - **LMKAC buys on demand**



Projected Milestones

OC-ALC/LP propulsion systems
UPDATED 10 JUN 99



LMKAC-Supplier Activity / Negotiations



- **On a recurring basis, keep DLA (DSCR) appraised of:**
 - **PBA transition milestones and progress**
 - **Evolving TF39 and T56 support requirements**
- **Invite DLA (DSCR) to participate in recurring PBA transition and execution planning**



Summary

OC-ALC/LP propulsion systems
UPDATED 10 JUN 99

- **Initial efforts to determine CFM candidates underway**
 - Premature to identify those items that will be within bid prices
 - Will identify most candidates in FY00
- **Close coordination required between OC-ALC, DLA and LMKAC for parts management transfer**
- **DLA support required**
 - Continued DLA field level support required for TF39 and T56
 - Continued DLA depot level support required at least through Feb 01



